

# KENTUCKY

## TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER  
EDITION



May/June  
2009

### *Upcoming KTRS* **Board of Trustees Election**

The Teachers' Retirement System is governed by a nine member Board of Trustees. Two trustees are ex-officio members, the Chief State School Officer and the State Treasurer. The remaining seven trustees are elected by the retired and active membership. Elections are held in May of each year to fill either one or two positions on the Board. Positions are held for four-year terms and the elections are staggered. This May, the membership will elect an active member trustee and a retired member trustee.

The candidates for the active teacher position are Dr. Jay Morgan, the incumbent, from Murray, and Patty Evans, from Campbellsville. The candidates for the retired teacher position are Barbara G. Sterrett, the incumbent, from Lexington, and James Sproul from Barbourville.

In early May, each retired and active KTRS member will receive a ballot with information about the candidates. Retired members will receive a yellow ballot and active members will receive a blue ballot. Please select your candidate, tear along the perforation, and drop the ballot in the mail. Postage is prepaid. You may return your ballot any time during May, but no later than May 31, 2009. The Chief State School Officer is responsible for counting the ballots.

All members are urged to review the qualifications of each candidate and cast their ballot for the candidate that they feel has the best qualifications to be an effective member of the Board of Trustees. The results of the election will be announced in the next KTRS newsletter.



### **Market Downturn Creates Long-Term Opportunities**

Volatility in financial markets is a natural by-product of a freely functioning market economy, compensated for by the economic returns generated by a free economy. The turmoil in the markets and our financial system over the past year, however, represents a once-in-a-lifetime episode. In general terms, the financial system's problems have been caused by excessive debt, a lack of risk control, and a failure of regulation. Markets and the human institutions that operate them are not perfect; this leads, once in great while, to dangerous excesses. The correction of those excesses is now having painful consequences for the economy.

Fortunately, the Kentucky Teachers' Retirement System's (System) sound investment practices have allowed us to weather even this "perfect storm" much better than the vast majority of institutional investors. Our returns for 2008, while unavoidably negative, were in the top 30% of large pension plans. As a result of the System's consistent approach which emphasizes intrinsic value and risk control, we avoided fundamentally unsound types of securities and investment practices which

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ultimately resulted in serious losses for many funds.

Our investment perspective is long term and our focus is currently on the opportunities being created in this environment. Long before the current financial turmoil ensued, the System had begun a multi-year process of better diversifying its mix of investment classes in a measured, prudent fashion. The dislocations in the financial markets allow us to continue this process, entering new investments at cheaper valuations, improving the prospect for future returns.

Year in and year out the consistency of our fundamental, risk-controlled, approach to investing has ensured the long-term returns necessary to provide promised benefits to our members. Not even a once-in-a-lifetime financial storm can threaten this approach. On the contrary, we believe it will enhance returns for the future.

## Reciprocity Member Alert

A reciprocity member is a member who has established membership and maintained active retirement accounts in more than one of the state retirement systems. The law allows members to determine their eligibility for retirement benefits by combining service credit in all systems. Each system will calculate your annuity separately.

Any member who has service in both Teachers' Retirement and one of the state administered retirement systems must file a retirement application with a coordinating retirement date if choosing a reciprocity retirement. You must complete and file paper work (applications and insurance forms) for both retirement systems before benefits begin from any system. Your insurance will not start until one month after you are processed in both payroll systems.

If you have any questions concerning a reciprocity retirement, please contact the KTRS office.



### Keep Your Address Current!

this keeps you informed of all the late-breaking news from KTRS!!

## Mid-Career Planning Workshops

Registration 9:00 A.M.  
Workshop 9:05 A.M. - Noon  
(Local Time)

### June 30, 2009

Lake Barkley  
State Resort Park  
Cadiz, KY

### July 7, 2009

General Butler  
State Resort Park  
1608 Highway 227  
Carrollton, KY

### July 28, 2009

Natural Bridge  
State Resort park  
2135 Natural Bridge Road  
Slade, KY

*Please visit [www.ktrs.ky.gov](http://www.ktrs.ky.gov)  
for all REGISTRATION & for additional  
dates for workshops & seminars .*

## Pre-Retirement Seminars

Registration 9:00 – 9:15 A.M.  
Seminar 9:15 A.M. – 1:00 P.M.  
(Local Time)

### May 16, 2009

Pine Mountain SRP  
C.V. Convention Center  
1050 State Park Road  
Pineville, KY

### June 20, 2009

Barren River SRP  
1149 State Park Road  
Lucas, KY

### July 21, 2009

Rough River  
Lodge Lower Level  
450 Lodge Road  
Falls of Rough, KY

### July 23, 2009

KTRS  
477 Versailles RD  
Next door to the main building  
on the ground floor  
Frankfort, KY

## Important Information for Year 2009 Retirees

*The following answers are provided to help with often-asked questions pertaining to retirement.*

### If I am planning to retire this year, what should I do in preparation?

- Request KTRS Form 23 - Application for Service Retirement & packet from the KTRS office at **least 60 days before** your prospective date of retirement (**90 days for June & July retirements**).
- You will be required to submit copies of your signed Social Security card and the official, certified birth certificate when you submit your retirement application.
- A copy of your official certified marriage license is required if married.
- If you select a payment option that provides a lifetime benefit to a surviving beneficiary, you will need to provide a copy of the beneficiary's official, certified birth certificate.

### Does my employer need to complete any part of my retirement application?

- YES. Sections VII and VIII need to be completed and signed by your employer in order to finalize your retirement application.  
*Please allow sufficient time for your employer to complete these sections.*

### What is the deadline to file for JUNE 1<sup>st</sup> retirements?

- **JUNE retirement applications** must be received in the KTRS office **no later than May 1, 2009**.

### What is the deadline to file for JULY 1<sup>st</sup> retirements?

- **JULY retirement applications** must be received in the KTRS office no later than **June 1, 2009**. All retirement applications must be submitted by the **FIRST** of the month **PRIOR** to the month of retirement.

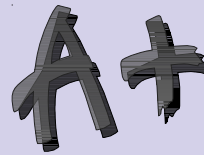
### When will I receive my first check?

- To be eligible for the June effective date, retiring members must complete their employment contract and resign from their position by May 31<sup>st</sup>.
- A one-month service credit reduction will occur for June retirements. June 1<sup>st</sup> retirees will receive their first annuity payment by direct deposit on June 26<sup>th</sup>.

- July 1<sup>st</sup> retirees will receive their first annuity payment by direct deposit on July 29<sup>th</sup>.  
*Please be reminded that as a result of 1998 legislation, all retirement payments must be sent by Electronic Funds Transfer (EFT). Section II of the retirement application requires you to supply your financial institution information and attach your voided or cancelled check.*

### If I am retiring this year, when will my medical insurance become effective through KTRS?

- Your medical insurance will be effective through KTRS on the first day of the month your retirement is effective.



### **Your Homework for a Successful Retirement Experience!**

#### ***What you will need:***

- ☐ **Your KTRS Service Retirement application.**  
(Form 23) (*must be completed and signed by you and your employer*).
- ☐ **A copy of your official certified birth certificate.**
- ☐ **A copy of your Social Security card.**  
(*issued by the SSA and bearing its seal and your signature*).
- ☐ **A copy of your official certified marriage license.**  
(*if married at the time of your retirement*)
- ☐ **A copy of your beneficiary's official certified birth certificate.**  
(*if Retirement Option III, IIIA, IV or IVA is selected*).
- ☐ **And remember to submit payment for certain service credit purchases two months prior to your retirement.**  
(*If you are qualifying previously purchased out-of-state service or purchasing non-standard, prior military, or out-of-state service to retire, the retirement system will calculate the amount due and notify you in writing upon receipt of your completed application.*)

## Deadline for the Purchase of 2008-2009 Service Credit is Approaching

Members who were granted leaves of absence in the 2008-2009 year should contact KTRS about purchasing the unpaid days covered by the leave of absence. Leaves of absence granted during 2008-2009 may be purchased as a current leave of absence if purchased by June 30, 2010. After that date, the 2008-2009 leaves of absence are purchasable only as a non-current leave of absence. Current leave of absence purchases are less expensive than non-current leave of absence purchases. If your present financial situation does not permit you to purchase your 2008-2009 leave with a lump sum payment before the June 30th deadline for current leave of absence purchases, you may still be eligible to purchase your 2008-2009 leave as a current leave of absence by entering into an installment payment contract with KTRS before the deadline. To be purchasable by installments, the total cost of purchasing the leave, with interest, must exceed \$1,000. The minimum contract term is 12 months, the maximum is 60 months. Monthly payments must equal to at least \$50.00. Please contact KTRS to determine whether your leave of absence qualifies for an installment payment purchase.

**The deadline for purchasing a 2008-2009 leave of absence as a current leave of absence is June 30, 2010.**

## 2009 Regular Session of the General Assembly

There were no bills enacted during the 2009 Regular Session of the General Assembly that would have any direct impact on KTRS. Some legislation, often generically described as retirement system legislation, was enacted during this Session in regard to Kentucky Retirement Systems (KRS), but that legislation impacted KRS only. At this point, the General Assembly will not reconvene until January of 2010, unless a Special Session is called by the Governor in the interim.

